

**STATE OF NORTH CAROLINA  
COUNTY OF FORSYTH**

**THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
16 DHR 02045**

**CHARLES A. HINES III and CHARLES  
HINES & SON INC.,** )  
 )  
 **Petitioners,** )  
 )  
 **v.** )  
 )  
 **PARTNERS BEHAVIORAL HEALTH** )  
 **MANAGEMENT,** )  
 **Respondent.** )

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**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into effective the date executed by both Petitioners Charles Hines III and Charles Hines & Son, Inc. (“Petitioners” or “Charles Hines”), and Respondent Partners Behavioral Health Management (“Respondent” or “Partners”) (collectively “Parties” and individually “Party”).

**WITNESSETH:**

WHEREAS, the Parties have one or more contracts for the provision by Charles Hines of publicly-funded mental health, developmental disabilities and substance abuse services to Partners’ consumers enrolled in North Carolina Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry and Yadkin Counties (“Catchment Area”); and

WHEREAS, Partners issued a Tentative Notice of Overpayment (“TNO”) dated August 31, 2015, with adverse findings from a post-payment review, notifying Charles Hines it had received Medicaid overpayments in the amount of \$11,089.28 due to Petitioners submitting and being paid for services performed by an employee relative, without first seeking or obtaining prior approval, consistent with legal and contractual requirements; and

WHEREAS, Charles Hines filed a Request for Reconsideration, in which Partners determined there was no RADSE authorization for Personal Care services provided by the guardian from February 25, 2015 through December 2, 2015 but that another employee of Charles Hines provided some of the services, therefore reducing the TNO amount; and

WHEREAS, Partners reviewed the dispute and issued a Notice of Decision dated December 22, 2015, reducing the overpayment to \$9,340.40 (“Partners Final Decision”); and

WHEREAS, Charles Hines filed this above-styled case 16 DHR 02045 (“Contested Case”) in the North Carolina Office of Administrative Hearings (OAH) challenging Partners Final Decision; and

WHEREAS, the Parties desire to compromise and settle any and all existing, known, or reasonably foreseeable disputes, claims, or rights between them, as set forth above; and

WHEREAS, the Parties have reached a compromise settlement resolving the differences between them on the existing disputes described herein, the terms and conditions of which are set forth in this Agreement.

## **AGREEMENT**

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, for agreed upon good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties, for themselves and their predecessors, successors, managers, assigns, officers, directors, employees, and agents, agree as follows:

1. No Admissions: The settlement effected by this Agreement is a compromise of disputed claims, made to avoid the uncertainty and expense of potential litigation. The promises and terms agreed to herein are not to be construed as an admission of any alleged liability, illegal conduct, nonconformity, error, other deficiency or legal position on the part of any Party. Any such alleged liability, illegal conduct, nonconformity, error, or other deficiency is expressly denied by the respective Parties.

2. Dismissal: Charles Hines will fully and voluntarily dismiss with prejudice this Contested Case 16 DHR 02045 within three (3) business days after the complete execution of this Agreement.

3. Partners Obligations: Provided Petitioners timely comply with all requirements of this Agreement, Partners:

- a. Waives any applicable penalty and interest associated therewith.
- b. Agrees not to seek recoupment against Charles Hines for the claims with dates of service covered in this Contested Case and TNO.

4. Petitioners' Obligations: Provided Partners timely complies with all requirements of this Agreement, Charles Hines:

- a. Agrees to pay Partners \$6,925.72 via cashier's check, to be received by Partners within ten (10) business days of executed settlement or by close of business Friday, June 24, 2016, whichever is sooner.
- b. If Petitioners fail to timely and fully satisfy ¶4b, authorizes Partners without further notice, to recoup from as many check writes owed to Petitioners as necessary following June 24, 2016 to recoup \$10,000, as liquidated damages and further to freeze referrals until such time as full recoupment or payment is made.
- c. Will indemnify, hold harmless and defend Partners for any and all damages, including recoupments Partners might incur from or pay to state or federal regulators, Recovery

Audit Contractors (RACs) or other authorities for not recouping any additional funds from Petitioners regarding the dispute resolved by this Agreement, notwithstanding the mutual release below. Partners agrees to reasonably notify Petitioners and defend against any such recovery attempts against Partners.

6. Mutual Release: Subject to the terms and obligations of this Agreement, each Party hereby releases the other, its current and former officials, employees, agents and representatives from any and all liability and causes of action that have arisen out of the TNO, Partners Final Decision, and this Contested Case.

7. Costs: All attorneys' fees, costs, and expenses related to all cases and disputes described herein shall be borne by each Party individually, and no claim for such fees, costs or expenses shall be made.

8. Merger Clause: This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof, and there are no promises, understandings, or representations other than those set forth herein. This Agreement supersedes any and all other prior agreements and drafts regarding the subject matter hereof. This Agreement may not be amended or modified except by a writing signed by both of the Parties or their duly authorized representatives.

9. Choice of Law, Forum Selection and Severability: This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of North Carolina, without regard to conflicts of laws principles, in any litigation, arbitration or legal proceedings arising out of this Agreement. The Parties understand, acknowledge and agree that the sole venue for all administrative and legal actions upon this Agreement shall be in a North Carolina court of competent jurisdiction located in one of the counties of Partners' catchment area at that time, or the U.S. District Court for the Western District of North Carolina, Charlotte Division. If any provisions of this Agreement are held to be invalid or unenforceable by a court of competent jurisdiction, all other provisions shall nevertheless continue in full force and effect unless material to the overall Agreement.

10. Acknowledgement: Each Party acknowledges that it has carefully read this Agreement, knows the contents thereof, and executes the Agreement voluntarily as its own act. Each Party further acknowledges that it has conferred to the extent that it has deemed appropriate with legal counsel regarding this Agreement prior to its execution.

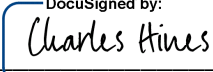
11. Execution: This Agreement may be executed in counterparts, each of which shall be an original, and all of which taken together shall constitute one and the same instrument. The Parties may exchange electronic signatures on this Settlement Agreement or written signatures by facsimile or e-mail, which shall be acceptable and deemed binding as if originals.

12. Warranted Authority: The undersigned represent and warrant that they are authorized to enter into this Agreement on behalf of the Parties.

[Signatures on following page.]

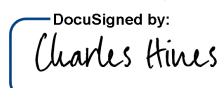
**THIS SETTLEMENT AGREEMENT** is agreed to and executed by the Parties hereto:

**CHARLES A HINES III, Personally**

By:   
Charles A. Hines, III  
726 N Cherry Street  
Winston-Salem, NC 27101-1419  
336-896-0950  
charlesh@cahines.com


6/6/2016  
Date

**CHARLES HINES & SON, INC.**

By:   
Charles A. Hines, President  
726 N Cherry Street  
Winston-Salem, NC 27101-1419  
336-896-0950  
charlesh@cahines.com

6/6/2016  
Date

**PARTNERS BEHAVIORAL HEALTH MANAGEMENT**

By:   
W. Rhett Melton, CEO  
901 South New Hope Road  
Gastonia, NC 28054

6/6/2016  
Date